

**Notice of Allowability**

Application No.

09/919,456

Examiner

Jennifer Liversedge

Applicant(s)

BUTCHER, GEORGE H.

Art Unit

3692

**– The MAILING DATE of this communication appears on the cover sheet with the correspondence address–**

All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTOL-85) or other appropriate communication will be mailed in due course. **THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS.** This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.

1. ☒ This communication is responsive to 7/31/2001.
2. ☒ The allowed claim(s) is/are 1,2,4 and 6-10.
3. ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All b) ☐ Some\* c) ☐ None of the:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).  
\* Certified copies not received: \_\_\_\_\_.

Applicant has THREE MONTHS FROM THE "MAILING DATE" of this communication to file a reply complying with the requirements noted below. Failure to timely comply will result in ABANDONMENT of this application.  
**THIS THREE-MONTH PERIOD IS NOT EXTENDABLE.**

4. ☐ A SUBSTITUTE OATH OR DECLARATION must be submitted. Note the attached EXAMINER'S AMENDMENT or NOTICE OF INFORMAL PATENT APPLICATION (PTO-152) which gives reason(s) why the oath or declaration is deficient.
5. ☐ CORRECTED DRAWINGS (as "replacement sheets") must be submitted.  
(a) ☐ including changes required by the Notice of Draftsperson's Patent Drawing Review (PTO-948) attached  
1) ☐ hereto or 2) ☐ to Paper No./Mail Date \_\_\_\_\_.  
(b) ☐ including changes required by the attached Examiner's Amendment / Comment or in the Office action of Paper No./Mail Date \_\_\_\_\_.  
Identifying indicia such as the application number (see 37 CFR 1.84(c)) should be written on the drawings in the front (not the back) of each sheet. Replacement sheet(s) should be labeled as such in the header according to 37 CFR 1.121(d).
6. ☐ DEPOSIT OF and/or INFORMATION about the deposit of BIOLOGICAL MATERIAL must be submitted. Note the attached Examiner's comment regarding REQUIREMENT FOR THE DEPOSIT OF BIOLOGICAL MATERIAL.

**Attachment(s)**

- |                                                                                                            |                                                                                       |
|------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 1. <input type="checkbox"/> Notice of References Cited (PTO-892)                                           | 5. <input type="checkbox"/> Notice of Informal Patent Application                     |
| 2. <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                       | 6. <input type="checkbox"/> Interview Summary (PTO-413),<br>Paper No./Mail Date _____ |
| 3. <input type="checkbox"/> Information Disclosure Statements (PTO/SB/08),<br>Paper No./Mail Date _____    | 7. <input checked="" type="checkbox"/> Examiner's Amendment/Comment                   |
| 4. <input type="checkbox"/> Examiner's Comment Regarding Requirement for Deposit<br>of Biological Material | 8. <input checked="" type="checkbox"/> Examiner's Statement of Reasons for Allowance  |
|                                                                                                            | 9. <input type="checkbox"/> Other _____                                               |

## **DETAILED ACTION**

### **EXAMINER'S AMENDMENT**

A drawing (flow chart, diagram, etc.) illustrating the claimed methods is required in order to help show and clarify the invention as set forth in the present application.

### ***Allowable Subject Matter***

Claims 1-2, 4 and 6-10 are allowed. As allowable subject matter has been indicated, applicant's reply must either comply with all formal requirements or specifically traverse each requirement not complied with. See 37 CFR 1.111(b) and MPEP § 707.07(a).

The following is an examiner's statement of reasons for allowance: the prior art fails to teach or suggest the limitations of the independent claims.

Independent claim 1 discloses a method of structuring a credit comprising requiring the credit issuer of a municipal bond to pay to the credit holder a fixed payment component and, additionally, to pay the credit holder a variable payment component that varies based on changes in a value of ownership value characteristic associated with the municipal bond, where the ownership value characteristic is selected from the group consisting of a general tax rate level, an exemption from a state tax, an exemption from a federal tax, a marginal state tax rate, a marginal federal tax rate, a credit rating of the credit issuer, a credit variation associated with a credit enhancer, a credit variation associated with a liquidity provider, and a supply/demand

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level for municipal bonds. Dependent claim 2 is allowable as it follows from the allowable independent claim 1.

Independent claim 4 discloses a method of issuing a credit to a credit holder by a credit issuer where the credit has associated therewith at least two ownership value characteristics and each of the ownership value characteristics has associated therewith a loss/gain potential, comprising transferring to the credit holder at least one loss/gain potential and retaining by the credit issuer at least one loss/gain potential; wherein the loss/gain potential is transferred to the credit holder by requiring the credit issuer to pay to the credit holder a fixed payment component and, wherein the loss/gain potential is retained by the credit issuer by requiring the credit issuer to pay to the credit holder an additional variable payment component. Dependent claims 6-10 are allowable as they follow from the allowable independent claim 4.

The primary difference between the claimed invention and the prior art is the requirement of a credit issuer to pay to a credit holder both a fixed payment component and a variable payment component.

The prior art discloses loss/gain potentials where the mortgage originator retains a portion of the loss/gain potential and where a portion of the loss/gain potential is transferred to the individual assuming the mortgage (US Patent No. 5,966,700 to Gould et al.). Gould discloses the risks associated with interest rates, however, Gould does not disclose the requirement of a credit issuer to pay to a credit holder both a fixed payment component and a variable payment component.

Additionally, prior art discloses where a mortgage holder pays both a fixed interest rate component and a variable interest rate component, where the variable rate component is responsive to the rate of inflation (US Patent 6,052,673 to Leon et al.). However, the method as disclosed by Leon involves the credit holder paying both fixed and variable components, and does not disclose the opposite as disclosed in the current application where the requirement of a credit issuer is to pay to a credit holder both a fixed payment component and a variable payment component.

Further, prior art discloses the transferring of loss/gain potential where the loss/gain potential is managed with respect to interest rates (US Pub. 2002/0184129 A1 to Arena et al.). However, again, Arena does not disclose the requirement of a credit issuer to pay to a credit holder both a fixed payment component and a variable payment component.

Non-patent literature also discloses the use of a fixed payment component and a variable component ("Poor market spurs new approaches" by Esther Fritz Kuntz). However, Kuntz does not disclose where the interest rate components are combined in a single credit and further does not disclose the requirement of a credit issuer to pay to a credit holder both a fixed payment component and a variable payment component and refers to the credit holder paying any payment components rather than the credit issuer.

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably

accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

### ***Conclusion***

Any inquiry concerning this communication should be directed to Jennifer Liversedge whose telephone number is 571-272-3167. The examiner can normally be reached on Monday – Friday, 8:30 – 5 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Richard Chilcot can be reached at 571-272-6777. The fax number for the organization where the application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

  
Jennifer Liversedge

Examiner

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RICHARD E. CHILCOT, JR.  
SUPERVISORY PATENT EXAMINER